

**Bayou Community Academy  
Charter School**

Financial Statements  
and Independent Auditor's Report  
June 30, 2013

**Bayou Community Academy  
Charter School**

Financial Statements and Independent Auditor's Report  
As of and for the Year Ended  
June 30, 2013

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**Bayou Community Academy  
Charter School**

Financial Statements and Independent Auditor's Report  
As of and for the Year Ended  
June 30, 2013

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees  
Bayou Community Academy Charter School  
Thibodaux, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying statement of financial position of Bayou Community Academy Charter School (a nonprofit organization) as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the



financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

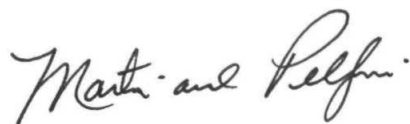
### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bayou Community Academy Charter School as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2013, on our consideration of Bayou Community Academy Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

The schedules required by Louisiana State Law included as Schedules 1 through 9, are not a required part of the basic financial statements, but are supplementary information required by Louisiana State Law. We have applied certain limited procedures, which are described in the Independent Accountant's Report on Applying Agreed-Upon Procedures. However, we did not audit this information and, accordingly, express no opinion on it.



Houma, Louisiana  
October 18, 2013

## **FINANCIAL STATEMENTS SECTION**

**Bayou Community Academy  
Charter School**

Statement of Financial Position  
June 30, 2013

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 1,020,239
Investments	925,781
Accounts receivable	75
Grants receivable	19,217
Prepaid expense	<u>9,036</u>

Total current assets 1,974,348

Property and equipment, net of accumulated depreciation of \$54,520	<u>148,124</u>
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**TOTAL ASSETS** \$ 2,122,472

**LIABILITIES AND NET ASSETS**

Current liabilities:

Accounts payable	\$ 44,631
Accrued retirement	53,214
Accrued payroll	93,378
Payroll taxes payable	19,817
Deferred compensation	<u>62,105</u>

Total current liabilities 273,145

Net assets:

Unrestricted	<u>1,849,327</u>
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**TOTAL LIABILITIES AND NET ASSETS** \$ 2,122,472

The accompanying notes are an integral part of this statement.

**Bayou Community Academy  
Charter School**

Statement of Activities  
Year Ended June 30, 2013

	<u>Unrestricted</u>
<b>REVENUE, GRANTS AND OTHER SUPPORT</b>	
Grants:	
State public school funding	\$ 2,600,414
Federal grants	113,381
Local grants	76,536
Other local sources	229,888
In-kind contributions	22,876
Investment income	398
	<hr/>
<b>TOTAL REVENUE, GRANTS AND OTHER SUPPORT</b>	<b>3,043,493</b>
	<hr/>
<b>EXPENSES</b>	
Program services	
Regular education programs	957,699
School administration	291,536
Operation and maintenance	160,987
Instructional staff services	142,088
Student transportation services	84,132
Special education programs	80,230
Special programs	66,966
Pupil support services	57,855
Non-instructional services	26,988
Other instructional programs	19,658
Depreciation	36,272
Management and general	
Business services	89,410
General administration	68,622
Central services	289
Fundraising	23,103
	<hr/>
<b>TOTAL EXPENSES</b>	<b>2,105,835</b>
	<hr/>
<b>INCREASE IN NET ASSETS</b>	<b>937,658</b>
<b>NET ASSETS, BEGINNING OF PERIOD</b>	<b>911,669</b>
	<hr/>
<b>NET ASSETS, END OF PERIOD</b>	<b>\$ 1,849,327</b>
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.



**Bayou Community Academy  
Charter School**

Statement of Cash Flows  
Year Ended June 30, 2013

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Increase in net assets	\$ 937,659
Adjustment to reconcile increase in net assets to net cash flows provided by operating activities:	
Depreciation	36,272
Increase (decrease) in operating assets:	
Accounts receivable	25
Grants receivable	(9,770)
Prepaid expense	(8,586)
Increase (decrease) in operating liabilities:	
Accounts payable	6,805
Accrued expenses	87,064
Deferred compensation	22,716
Deferred revenue	(6,778)

**NET CASH FLOWS PROVIDED BY OPERATING  
ACTIVITIES**

1,065,407

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchases of property and equipment	(36,076)
Purchases of investments	(475,613)

**NET CASH FLOWS USED IN INVESTING ACTIVITIES**

(511,689)

**NET INCREASE IN CASH AND CASH EQUIVALENTS**

553,718

**BEGINNING CASH AND CASH EQUIVALENTS**

466,521

**ENDING CASH AND CASH EQUIVALENTS**

\$ 1,020,239

**SUPPLEMENTAL CASH FLOW INFORMATION**

Cash paid during the year for interest	<u><u>\$ -</u></u>
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The accompanying notes are an integral part of this statement.

**Bayou Community Academy  
Charter School**

Notes to Financial Statements  
Year Ended June 30, 2013

**NOTE 1 – ORGANIZATION AND OPERATIONS**

Bayou Community Academy, Inc. (the School) was created as a non-profit corporation under the laws of the State of Louisiana on January 29, 2009. The School applied to the Lafourche Parish School Board to operate a Type I charter school. The charter was granted to Bayou Community Academy, Inc. for a five year term commencing July 1, 2011, and ending on June 30, 2016. The School presently serves eligible students in pre-kindergarten through fifth grade and plans to add a grade each year until reaching eighth grade.

The School leases its building from Lafourche Parish School Board for \$8,000 per month. The total amount paid during the fiscal year ended June 30, 2013 was \$96,000. The School also paid Lafourche Parish School Board an administrative fee representing 2% of the total revenue received under the State Public School - MFP Funding, amounting to \$51,799.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the School's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

**A. FINANCIAL STATEMENT PRESENTATION**

The School follows the guidance of the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the School is required to present a statement of cash flows.

The School also follows the guidance of the *Not-for-Profit Entities* Topic of the FASB ASC, whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the donor-imposed time or purpose restrictions. Restricted contributions, for which the restriction is met in the same year, are classified as unrestricted.

**B. BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. The financial statements have been prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred, in accordance with accounting principles generally accepted in the United States of America.



**Bayou Community Academy  
Charter School**

Notes to Financial Statements  
Year Ended June 30, 2013

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**C. REVENUES**

The School's primary source of funding is through the State Public School – MFP Funding, which made up 85% of its revenues. State and federal grants are on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.

**D. PROPERTY AND EQUIPMENT AND DEPRECIATION**

Property and equipment of the School are recorded at historical cost or estimated historical cost if historical cost is not available. Betterments that naturally add to the value of related assets or materially extend the useful lives of assets are capitalized. Depreciation of all exhaustible property and equipment is calculated using the straight-line method and is charged as an expense against operations. Property and equipment reported on the statement of financial position are net of accumulated depreciation. Normal building maintenance and minor equipment purchases are included as expenses of the School.

**E. INCOME TAXES**

The School is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the School's tax-exempt purpose is subject to taxation as unrelated business income. No provision for income taxes have been made.

**F. STATEMENT OF CASH FLOWS**

For purposes of the Statement of Cash Flows, the School considers all investments purchased with an original maturity of three months or less to be cash equivalents.

**G. USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**H. CONCENTRATIONS**

The School received 85% of its revenues in the year ended June 30, 2013 from the State Public School – MFP Funding, subject to its charter school contract with the Board of Trustees, and 4% of its funding from the federal government.

**Bayou Community Academy  
Charter School**

Notes to Financial Statements  
Year Ended June 30, 2013

**NOTE 3 – CASH AND INVESTMENTS**

The School's cash and cash equivalents (book balances) at June 30, 2013, were \$1,020,239, which are stated at cost and approximate market.

The School's investments are limited to funds deposited with Louisiana Asset Management Pool (LAMP). LAMP is a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities.

The dollar-weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days, and consists of no securities with maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. Investments in LAMP as of June 30, 2013 amounted to \$925,781 and are classified on the Statement of Financial Position as "Investments". In accordance with GASB Codification Section I50.126, the investment in LAMP as of June 30, 2013 is not recognized in the three risk categories provided by GASB Codification I50.125 because the investment is in the pool of funds and, therefore, not evidenced by securities that exist in physical or book entry form.

**NOTE 4 – GRANTS RECEIVABLE**

As of June 30, 2013, grants receivable totaled \$19,217, which are local grant funds being used for the improvement of Bayou Community Academy Charter School's library. The balance is considered to be fully collectible.



**Bayou Community Academy  
Charter School**

Notes to Financial Statements  
Year Ended June 30, 2013

**NOTE 5 – PROPERTY AND EQUIPMENT**

A summary of changes in property and equipment follows:

	Balance July 1, 2012	Additions	Retirements	Balance June 30, 2013
Computers and Peripherals	\$ 139,290	\$ 17,292	\$ (349)	\$ 156,233
Computer Software	7,176	3,894		11,070
Furniture and Equipment	20,102	15,239	-	35,341
	166,568	36,425	(349)	202,644
Less: Accumulated Depreciation	(18,248)	(36,272)	-	(54,520)
Total	\$ 148,320	\$ 153	\$ (349)	\$ 148,124

Depreciation expense for the year ended June 30, 2013, was \$36,272. Depreciation is calculated using the straight-line method over useful lives of 3 to 7 years.

All assets acquired with Louisiana Department of Education funds are owned by the School while used for the purpose in which they were purchased. The Louisiana Department of Education, however, has a reversionary interest in these assets. Should the charter not be renewed, title in any assets purchased with those funds will transfer to the appropriate agency.

**NOTE 6 – DEFERRED COMPENSATION**

For ten-month employees, such as teachers, July 2013 payroll costs are recorded as deferred compensation. These employees earned such compensation by completing their contracts with the School on May 31, 2013. While they work for a ten month period, they get paid over a twelve month period. The contract period for these employees was August 7, 2012 to May 30, 2013 and the amount of deferred compensation that was recorded is \$62,105.

**NOTE 7 – IN-KIND CONTRIBUTIONS**

In-kind contributions represent the estimated fair value of general corporate goods and services provided. Contributed goods are valued at fair market value on the date of the donation. Contributed services are reflected in the financial statements at the fair value of the services received. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills that would typically need to be purchased if not provided by donation.



**Bayou Community Academy  
Charter School**

Notes to Financial Statements  
Year Ended June 30, 2013

**NOTE 7 – IN-KIND CONTRIBUTIONS (Cont.)**

The following is a summary of in-kind contributions for the year ended June 30, 2013:

	<u>Estimated Market Value</u>
Gala Fundraiser Donations	\$ 15,040
Donated 5th Grade Classroom Space	3,656
5K Fundraiser Donations	2,500
Donated Office Space	<u>1,680</u>
Total In-kind Contributions	<u>\$ 22,876</u>

The value of donated volunteer services is not reflected in the accompanying financial statements since they do not meet the recording criteria as per FASB 116. However, a substantial number of volunteers have donated significant amounts of their time in the Organization's program, administrative, and fund-raising activities.

**NOTE 8 – RETIREMENT PLANS**

Certain employees of the School participate in the Teachers' Retirement System of Louisiana (TRSL). The TRSL is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan follows:

The TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit are required to become vested for retirement benefits, and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRSL issues a publicly available financial report for the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, P. O. Box 94123, Baton Rouge, LA 70804-9123.

***Funding Policy***

Plan members are required to contribute 8% of their annual covered salary. The School is required to contribute at an actuarially determined rate. During the majority of the year ending June 30, 2013, the employer contribution rate was 25%. The employer contribution rate established for the 2012/2013 plan year was 24.5% of annual eligible covered payroll. Member contributions and employer contributions for the TRSL are established by state law, and rates are established by the Public Retirement System's Actuarial Committee. The School's contribution to the plan for the year ended June 30, 2013 was \$266,918, which exceeds the required contribution by \$9,871. The School's first year to contribute to the plan was the year ended June 30, 2012.

**Bayou Community Academy  
Charter School**

Notes to Financial Statements  
Year Ended June 30, 2013

**NOTE 8 – RETIREMENT PLANS (Cont.)**

In addition to TRSL, certain employees of the School participate in the Louisiana School Employees' Retirement System (LSERS). The LSERS is a cost-sharing, multiple-employer defined benefit plan, which guarantees a benefit based on age, years of service, and final average compensation at retirement, not on the amount of contributions. LSERS members are non-instructional personnel of the Louisiana public school system. Employees must work more than 20 hours per week to become a member of this system. Ten years of service (member before July 1, 2010) or five years of service (member on or after July 1, 2010) in LSERS are required to become vested in the system.

***Funding Policy***

Plan members are required to contribute 7.50% of their annual covered salary, with 8.00% effective July 1, 2010 for new LSERS members. The School is required to contribute at an actuarially determined rate, which was 30.8% for fiscal year 2012-13. During the year ending June 30, 2013, the actual employer contribution rate was 31.7%. The School's contributions to the plan for the year ended June 30, 2013 was \$11,083, which is greater than the required contribution.

**NOTE 9 – LOCAL GRANTS**

During the year ended June 30, 2013, the School recognized grant revenue from the following local grants:

Lorio Grant Foundation	\$ 59,217
LEF Grant	14,687
Entergy Grant	1,513
Walmart Foundation Grant	<u>1,119</u>
Total Local Grants	<u>\$ 76,536</u>

**NOTE 10 – FEDERAL GRANTS**

During the year ended June 30, 2013, the School recognized grant revenue from the following federal grantors:

Federal Funds:	
Public Charter School Program (PCSP)	\$ 99,332
Title 1 Funds	<u>14,049</u>
Total Federal Funds	<u>\$ 113,381</u>



**Bayou Community Academy  
Charter School**

Notes to Financial Statements  
Year Ended June 30, 2013

**NOTE 11 – UNCERTAIN INCOME TAXES**

The School's 2011 tax returns were filed appropriately. As of October 2013, the School had not filed their 2012 tax return as the filing due date had not yet been reached. The School recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The School's tax filings are subject to audit by various taxing authorities. The School's open audit period is 2011. Management has evaluated the School's tax position and concluded that the School has taken no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this guidance.

**NOTE 12 – OPERATING LEASE**

On July 13, 2011, the School entered into a lease agreement with Lafourche Parish School Board for the rental of property to be used for the operation of Bayou Community Academy. The lease is for a term of three years, beginning July 1, 2011 and ending on June 30, 2014. The agreement includes 36 monthly payments of \$8,000. The total expense under this lease for the year ended June 30, 2013 is \$96,000.

Future minimum lease payments on the above lease is \$96,000 for the year ended June 30, 2014.

**NOTE 13 – CONCENTRATION OF CREDIT RISK**

Bayou Community Academy Charter School maintains its cash in two financial institutions located in Louisiana. During the year, the Federal Deposit Insurance Corporation (FDIC) insured the Organization's balances up to \$250,000 at each institution. The Organization's deposits exceeded FDIC coverage at times during the year, including \$959,433 on June 30, 2013.

**NOTE 14 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 18, 2013, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**SCHEDULES REQUIRED BY LOUISIANA STATE LAW**  
**(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)**

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Trustees  
Bayou Community Academy Charter School  
Thibodaux, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Bayou Community Academy Charter School (the School) and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Bayou Community Academy and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings that relate to the accompanying schedules of supplemental information are as follows:

**General Fund Instructional and Support Expenditures and Certain Local Revenue Sources  
(Schedule 1)**

1. We have selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper accounts for each of the following amounts reported on the schedule:
  - Total General Fund Instructional Expenditures
  - Total General Fund Equipment Expenditures
  - Total Local Taxation Revenue
  - Total Local Earning on Investment in Real Property
  - Total State Revenue in Lieu of Taxes
  - Nonpublic Textbook Revenue
  - Nonpublic Transportation Revenue



Findings:

None.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule to School supporting payroll records as of October 1st.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of principals, assistant principals and full-time classroom teachers by classification as of October 1st and as reported on the schedule. We traced 100% of the teachers to the individual's personnel file to determine if the individual's education level was properly classified on the schedule.

Findings:

None.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as recorded on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Findings:

None.

Experience of Public Principals, Assistant Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of principals, assistant principals and full time classroom teachers by classification as of October 1st and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Findings:

None.

#### Public School Staff Data: Average Salaries (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation and ROTC or rehired retiree status as well as full time equivalents as reported on the schedule and traced 100% of the teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full time equivalents were properly included on the schedule.
8. We recalculated the average salaries and full time equivalents reported on the schedule.

#### Findings:

None.

#### Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced 100% of the classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

#### Findings:

None.

#### Louisiana Educational Assessment Program (LEAP) (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported on the schedule by the School.

#### Findings:

None.

#### Graduation Exit Exam (GEE) (Schedule 8)

11. Information is not applicable for 2013, and is shown for historical purposes.

#### iLEAP Test Results (Schedule 9)

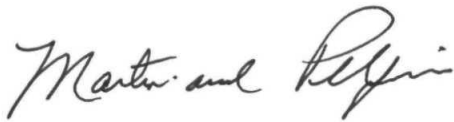
12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported on the schedule by the School.

#### Findings:

None.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Bayou Community Academy Charter School, the Lafourche Parish School Board, the Louisiana Department of Education, the Louisiana Legislature and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script, appearing to read "Martin and Ruffin".

Houma, Louisiana  
October 18, 2013



## **Bayou Community Academy Charter School**

Schedules Required by Louisiana State Law  
(R.S. 24:514 – Performance and Statistical Data)  
As of and for the Year Ended  
June 30, 2013

### **Schedule 1 – General Fund Instructional and Support Expenditures and Certain Local Revenue Sources**

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

### **Schedule 2 – Education Levels of Public School Staff**

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D. or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

### **Schedule 3 – Number and Type of Public Schools**

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

### **Schedule 4 – Experience of Public Principals, Assistant Principals and Full-time Classroom Teachers**

This schedule includes the number of years of experience in teaching for principals, assistant principals and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

### **Schedule 5 – Public School Staff Data: Average Salaries**

This schedule includes average classroom teachers' salary using full time equivalents, including and excluding ROTC and rehire retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

### **Schedule 6 – Class Size Characteristics**

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. The data is currently reported to the Legislature in the Annual School Report (ASR).

## **Bayou Community Academy Charter School**

Schedules Required by Louisiana State Law  
(R.S. 24:514 – Performance and Statistical Data)  
As of and for the Year Ended  
June 30, 2013

### **Schedule 7 – Louisiana Educational Assessment Program (LEAP)**

This schedule represents student performance testing data and includes summary scores by district by grade 4 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic and Unsatisfactory. This schedule includes two years of data, as the Academy has only been operating for two school years.

### **Schedule 8 – Graduation Exit Exam**

Not applicable.

### **Schedule 9 – iLEAP Test Results**

This schedule represents student performance testing data and includes a summary score for grades 3 and 5 for each district. The summary score reported is the Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the state. This schedule includes two years of data for grade 3, as the Academy has only been operating for two school years, and one year of data for grade 5, which was added to the Academy for the current school year.



**Bayou Community Academy Charter School**  
**Thibodaux, Louisiana**

General Fund Instructional and Support Expenditures  
 And Certain Local Revenue Sources  
 For the Year Ended June 30, 2013

General Fund Instructional and Equipment Expenditures
General Fund Instructional Expenditures:

## Teacher and Student Interaction Activities

Classroom Teacher Salaries	\$ 650,486
Other Instructional Staff Salaries	10,661
Instructional Staff Employee Benefits	223,333
Purchased Professional and Technical Services	20,019
Instructional Materials and Supplies	69,240
Instructional Equipment	26,167

Total Teacher and Student Interaction Activities \$ 999,906

Other Instructional Activities 8,617

Pupil Support Services 57,855

Less: Equipment for Pupil Support Services -

Net Pupil Support Services 57,855

Instructional Staff Services 142,088

Less: Equipment for Instructional Staff Services (2,237)

Net Instructional Staff Services 139,851

School Administration 291,536

Less: Equipment for School Administration (627)

Net School Administration 290,909

Total General Fund Instructional Expenditures \$ 1,497,138

Total General Fund Equipment Expenditures \$ 15,239

Certain Local Revenue Sources
Local Taxation Revenue

Constitutional Ad Valorem Taxes	\$ -
Renewable Ad Valorem Tax	-
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff on Taxes	-
Other than School Taxes	-
Sales and Use Taxes	-

Total Local Taxation Revenue \$ -

Local Earnings on Investment in Real Property

Earnings from 16th Section Property	\$ -
Earnings from Other Real Property	-

Total Local Earnings on Investment in Real Property \$ -

State Revenue in Lieu of Taxes

Revenue Sharing - Constitutional Tax	\$ -
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-

Total State Revenue in Lieu of Taxes \$ -

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

See independent accountant's report on applying agreed-upon procedures.

**Bayou Community Academy Charter School**  
**Thibodaux, Louisiana**  
 Education Levels of Public School Staff  
 As of June 30, 2013

Category	Full Time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	12	71%						
Master's Degree	5	29%			1	100%		
Master's Degree +30								
Specialist in Education								
Ph. D. or Ed. D.								
Total	17	100%	0	0%	1	100%	0	0%

See independent accountant's report on applying agreed-upon procedures.

**Bayou Community Academy Charter School**  
**Thibodaux, Louisiana**  
Number and Type of Public Schools  
For the Year Ended June 30, 2013

Type	Number
Elementary	1
Middle/Jr. High	
Secondary	
Combination	
Total	1

See independent accountant's report on applying agreed-upon procedures.

**Bayou Community Academy Charter School****Thibodaux, Louisiana**

Experience of Public Principals, Assistant Principals

And Full-time Classroom Teachers

As of June 30, 2013

	0 - 1 Yr.	2 - 3 Yrs.	4 - 10 Yrs.	11 - 14 Yrs.	15 - 19 Yrs.	20 - 24 Yrs.	25+ Yrs.	Total
Principals			1					1
Classroom Teachers	5	2	5	4	1			17
Total	5	2	6	4	1	0	0	18

See independent accountant's report on applying agreed-upon procedures.

**Bayou Community Academy Charter School**  
**Thibodaux, Louisiana**

Public School Staff Data: Average Salaries  
 For the Year Ended June 30, 2013

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers Salary Including Extra Compensation	\$68,020	\$68,020
Average Classroom Teachers Salary Excluding Extra Compensation	\$59,866	\$59,866
Number of Teacher Full Time Equivalents (FTEs) Used in Computation of Average Salaries	17	17

See independent accountant's report on applying agreed-upon procedures.



**Bayou Community Academy Charter School**  
**Thibodaux, Louisiana**  
 Class Size Characteristics  
 As of June 30, 2013

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	31%	4	69%	9				

See independent accountant's report on applying agreed-upon procedures.

**Bayou Community Academy Charter School**  
**Thibodaux, Louisiana**  
Louisiana Educational Assessment Program (LEAP)  
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts				Mathematics				Science				Social Studies			
	2013		2012		2013		2012		2013		2012		2013		2012	
Students	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
<b>Grade 4</b>																
Advanced	8	15%	2	8%	8	15%	2	8%	5	10%	3	11.5%	0	0%	1	4%
Mastery	19	37%	10	38%	20	38%	7	27%	18	35%	7	27%	18	34%	5	19%
Basic	23	44%	13	50%	12	23%	14	54%	20	38%	13	50%	28	54%	17	65%
Approaching Basic	2	4%	1	4%	7	14%	3	11%	9	17%	3	11.5%	5	10%	3	12%
Unsatisfactory	0	0%	0	0%	5	10%	0	0%	0	0%	0	0%	1	2%	0	0%
<b>Total</b>	<b>52</b>	<b>100%</b>	<b>26</b>	<b>100%</b>	<b>52</b>	<b>100%</b>	<b>26</b>	<b>100%</b>	<b>52</b>	<b>100%</b>	<b>26</b>	<b>100%</b>	<b>52</b>	<b>100%</b>	<b>26</b>	<b>100%</b>

See independent accountant's report on applying agreed upon procedures.

**Bayou Community Academy**  
**Thibodaux, Louisiana**  
Graduation Exit Exam  
For the Year Ended June 30, 2013

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The School is an elementary school; therefore, this schedule does not apply.

See independent accountant's report on applying agreed-upon procedures.



**Bayou Community Academy Charter School**  
**Thibodaux, Louisiana**  
**iLEAP Test Results**  
**For the Year Ended June 30, 2013**

District Achievement Level Results	English Language Arts				Mathematics				Science				Social Studies			
	2013		2012		2013		2012		2013		2012		2013		2012	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
<b>Grade 3</b>																
Advanced	4	8%	3	6%	5	10%	3	6%	4	8%	1	2%	5	10%	0	0%
Mastery	8	15.5%	18	35%	9	18%	13	25%	15	29%	17	33%	10	20%	18	35%
Basic	25	49%	22	43%	20	39%	23	45%	18	35%	24	47%	18	35%	24	47%
Approaching Basic	8	15.5%	6	12%	13	25%	8	16%	11	22%	9	18%	12	23%	7	14%
Unsatisfactory	6	12%	2	4%	4	8%	4	8%	3	6%	0	0%	6	12%	2	4%
<b>Total</b>	<b>51</b>	<b>100%</b>	<b>51</b>	<b>100%</b>	<b>51</b>	<b>100%</b>	<b>51</b>	<b>100%</b>	<b>51</b>	<b>100%</b>	<b>51</b>	<b>100%</b>	<b>51</b>	<b>100%</b>	<b>51</b>	<b>100%</b>

District Achievement Level Results	English Language Arts				Mathematics				Science				Social Studies			
	2013		2012		2013		2012		2013		2012		2013		2012	
	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%	Nbr.	%
<b>Grade 5</b>																
Advanced	2	8%	3	12%	3	12%	3	12%	0	0%	0	0%	0	0%	0	0%
Mastery	7	26%	5	19%	6	22%	6	22%	5	19%	5	19%	5	19%	5	19%
Basic	14	54%	16	61%	13	50%	13	50%	15	58%	15	58%	15	58%	15	58%
Approaching Basic	2	8%	1	4%	2	8%	2	8%	4	15%	4	15%	4	15%	4	15%
Unsatisfactory	1	4%	1	4%	2	8%	2	8%	2	8%	2	8%	2	8%	2	8%
<b>Total</b>	<b>26</b>	<b>100%</b>	<b>26</b>	<b>100%</b>	<b>26</b>	<b>100%</b>	<b>26</b>	<b>100%</b>	<b>26</b>	<b>100%</b>	<b>26</b>	<b>100%</b>	<b>26</b>	<b>100%</b>	<b>26</b>	<b>100%</b>

See independent accountant's report on applying agreed-upon procedures.

## **SUPPLEMENTAL INFORMATION**

**Bayou Community Academy  
Charter School**

Schedule of Board of Trustees  
For the Year Ended June 30, 2013

**Board Members**

**Compensation**

Bill Crawford  
522 Green Street  
Thibodaux, Louisiana 70301

\$-0-

Jim Barr  
402 West 2<sup>nd</sup> Street  
Thibodaux, Louisiana 70301

\$-0-

Vicki Corbett  
507 Ducros Drive  
Thibodaux, Louisiana 70301

\$-0-

Shaunna Landry  
269 Live Oak Drive  
Thibodaux, Louisiana 70301

\$-0-

Larry Youngblood  
19839 Highway 644  
Vacherie, Louisiana 70090

\$-0-

Nolan Smith  
156 Brooklyn Lane  
Raceland, Louisiana 70394

\$-0-

Cleveland Hill  
2130 Highway 3185  
Thibodaux, Louisiana 70301

\$-0-

Steven Welsh  
222 North Montz Street In  
Gramercy, Louisiana 70052

\$-0-

See independent auditor's report.

**SPECIAL REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**



**Martin  
and  
Pellegrin**

103 Ramey Road  
Houma, Louisiana 70360

*Certified Public Accountants  
(A Professional Corporation)*

Ph. (985) 851-3638  
Fax (985) 851-3951

**INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees  
Bayou Community Academy, Inc.  
Thibodaux, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Bayou Community Academy Charter School (a nonprofit organization) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements and have issued our report thereon dated October 18, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we

consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bayou Community Academy Charter School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. This report is intended for the information and use of management, Board of Directors, and the Louisiana Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script, appearing to read "Martin A. Lepore".

Houma, Louisiana  
October 18, 2013

## OTHER INFORMATION

## **Bayou Community Academy Charter School**

### **Schedule of Findings and Responses As of and for the Year Ended June 30, 2013**

#### **Section I – Summary of Auditor's Results**

1. The auditor's report expresses an unqualified opinion on the financial statements of Bayou Community Academy Charter School.
2. No deficiencies in internal control were noted during the audit of the financial statements.
3. No instances of noncompliance or other matters material to the financial statements of Bayou Community Academy Charter School which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. A management letter was not issued.

#### **Section II – Financial Statement Findings**

No findings material to the financial statements of Bayou Community Academy Charter School were noted during the audit.

#### **Section III – Internal Control Findings**

No findings related to Bayou Community Academy Charter School's internal control, which would be required to be reported in accordance with *Government Auditing Standards*, were noted during the audit.

#### **Section IV – Federal Award Findings and Questioned Costs**

This section is not applicable.



## **Bayou Community Academy Charter School**

### **Schedule of Prior Findings and Resolution Matters As of and for the Year Ended June 30, 2013**

Note: All prior findings relate to the June 30, 2012 audit engagement.

#### **Section I – Internal Control and Compliance Material to the Financial Statements**

This section is not applicable.

#### **Section II – Internal Control and Compliance Material to Federal Awards**

This section is not applicable.

#### **Section III – Management Letter**

##### Accounting Software Functions

Condition: An outstanding check was cleared from the QuickBooks accounting software via the “delete” function in place of “voiding” the check.

Recommendation: The management for Bayou Community Academy Charter School should adopt and implement written policies and procedures to be used as a guideline for day to day accounting operations. These procedures should include step by step details for how to address accounting issues arising, such as how to remove an outstanding check from the accounting system being used.

Status: Resolved.

##### Record Retention

Condition: Voided checks are not being properly retained and defaced.

Recommendation: The management for Bayou Community Academy Charter School should adopt and implement written policies and procedures to be used as a guideline for day to day accounting operations. These procedures should include guidelines for proper retention of accounting records, as well as steps detailing how to deface a damaged or replaced check.

Status: Resolved.

## **Bayou Community Academy Charter School**

### **Schedule of Prior Findings and Resolution Matters As of and for the Year Ended June 30, 2013**

#### **Capitalization Policy**

Condition: The Organization has not adopted a capitalization policy to direct consistent recording of assets and/or expenses.

Recommendation: The management for Bayou Community Academy Charter School should adopt and implement written policies and procedures to be used as a guideline for day to day accounting operations. These procedures should include guidelines for establishing a dollar value and estimated length of life asset criteria for the capitalization of fixed assets.

Status: Resolved.

#### **Gifts In Kind**

Condition: There is presently no system in place to identify, track, value, and record gifts in kind transactions.

Recommendation: The management for Bayou Community Academy Charter School should adopt and implement written policies and procedures to be used as a guideline for day to day accounting operations. These procedures should include guidelines for properly identifying, tracking, valuing, and recording gifts in kind.

Status: Resolved.